

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
SUEZ WATER DELAWARE INC.)
FOR A GENERAL INCREASE IN RATES) PSC DOCKET NO. 16-0163
AND FOR A REVISION)
TO ITS GENERAL TARIFF)
(FILED FEBRUARY 5, 2016))

ORDER NO. 8861

AND NOW, this 22nd day of March, 2016, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on February 5, 2016, SUEZ Water Delaware Inc. ("SWDE") filed an Application (the "Application") with the Commission seeking approval of: (1) an increase in its water service rates of \$4,943,665, which is a 19.96% increase over existing rates;¹ and (2) various changes to its water tariff as described in the Application; and

WHEREAS, SWDE has requested that the Commission approve its Application and authorize the proposed rates to become effective April 5, 2016. In the alternative, if the Commission exercises its discretion to suspend the proposed rate increase, SWDE has requested that, pursuant to 26 Del. C. §306(c),² the Commission

¹ SWDE notes that its proposed increase in base rates includes \$1,696,286 of existing Distribution System Improvement Charge.

² 26 Del. C. §306(c) provides, in pertinent part, that notwithstanding 26 Del. C. §§306(a) and (b), 60 days after the filing of a petition for a proposed change to any rate, a public utility may put a rate into effect under bond as authorized in 26 Del. C. §306(b), provided that the increase does not constitute an increase in excess of 15 percent of the public utility's annual gross intrastate operating revenues or \$2,500,000 annually, whichever is less.

enter an order that would permit interim rates intended to produce an annual increase in intrastate operating revenues of \$2,499,338, adjusted for the currently in place DSIC (\$1,696,286) which would result in a net increase of \$803,052, to be placed into effect on April 5, 2016, subject to refund; and

WHEREAS, 26 Del. C. §306(a)(1) permits the Commission to suspend the operation of a utility's proposed rate change for a period not to exceed seven months after the filing of a utility's rate change request; and

WHEREAS, notwithstanding the provisions of 26 Del. C. §306(a)(1), 26 Del. C. §306(c) permits a utility to place into effect under bond a rate increase that does not exceed the lesser of 15% of the utility's annual gross intrastate operating revenues or \$2,500,000;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. The Commission determines that, pursuant to the authority granted to it by 26 Del. C. §306(a)(1), the rates and revised tariff sheets set forth in SWDE's Application are hereby suspended pending the completion of evidentiary hearings regarding the justness and reasonableness of the proposed new rates and tariff changes and a final decision by the Commission. Subject to the implementation of interim rates as authorized herein, the proposed new rates and tariff changes shall not be placed into force or effect except pursuant to law or further

order of the Commission, and then only to the extent such law or further Commission order may permit or allow.

2. SWDE's request to implement interim rates intended to produce an annual increase of \$2,500,000, including the current DSIC, in intrastate operating revenues, effective April 5, 2016, with proration and subject to refund, is granted.³

3. SWDE shall provide public notice of the filing of its Application with the proposed rate changes and this action by the Commission by publishing notice in the form attached as **Exhibit "A"** in the legal classified section of The News Journal newspaper no later than **April 1, 2016**. SUEZ shall file with the Commission proof of such publication within thirty days of publication.

4. The Commission designates Hearing Examiner Campbell Hay as the hearing examiner for this matter pursuant to the terms of 26 Del. C. §502 and 29 Del. C. ch. 101 to schedule and conduct, upon due notice, such public comment sessions and evidentiary hearings as may be necessary to have a full and complete record concerning the justness and reasonableness of the proposed increased rates and tariff modifications. Thereafter, Hearing Examiner Hay shall file with the Commission for its consideration his proposed order with his findings and recommendations. Pursuant to 29 Del. C. §10126(a), such proposed order must include (i) a brief summary of the evidence and

³ On its 2014 annual gross revenue return filed on March 18, 2015, SWDE f/k/a United Water Delaware reported gross Delaware intrastate operating revenues of \$26,398,877. Hence, the lesser of \$2,500,000 or 15% of its intrastate operating revenues (\$3,959,831.55) is \$2,500,000.

recommended findings of fact based upon the evidence; (ii) recommended conclusions of law; and (iii) recommended decision.

5. Pursuant to 29 *Del. C.* ch. 101 and 26 *Del. Admin. C.* §1001-2.9, Hearing Examiner Hay is specifically delegated the authority to grant or deny petitions seeking leave to intervene and for admission of counsel *pro hac vice*. In addition, Hearing Examiner Hay is delegated the authority, under 26 *Del. C.* §102(A), to determine the form and manner of any further public notice in this matter.

6. The deadline for filing petitions to intervene pursuant to 26 *Del. Admin. C.* §1001-2.9 shall be **Friday, April 22, 2016**. Late-filed petitions to intervene will not be granted unless good cause is shown.

7. SWDE is hereby placed on notice that the costs incurred by the Commission Staff and by the Division of the Public Advocate in this proceeding will be charged to it under the provisions of 26 *Del. C.* §114(b)(1).

8. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary

EXHIBIT "A"

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
SUEZ WATER DELAWARE INC.)
FOR A GENERAL INCREASE IN ITS)
RATES AND FOR A REVISION TO) PSC DOCKET NO. 16-0163
ITS GENERAL TARIFF)
(FILED FEBRUARY 5, 2016))

**PUBLIC NOTICE OF APPLICATION OF SUEZ WATER DELAWARE INC.
FOR AN INCREASE IN BASE RATES, AND MISCELLANEOUS TARIFF CHANGES**

TO: ALL WATER CUSTOMERS OF SUEZ WATER DELAWARE INC.:

On February 5, 2016, the Delaware Division of Suez Water Delaware Inc. ("SWDE" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application for an increase in water rates, and to effect miscellaneous tariff changes.

In its application, SWDE seeks an increase in annual operating revenues of \$4,943,665, or an increase of 19.96% over existing rates.

RESIDENTIAL

Current Rate Tiers	Current	Proposed Rate Tiers	Proposed
First 2,000 Gallons	\$3.3819	First 2,000 Gallons	\$4.3572
Next 5,000 Gallons	\$4.0880	Next 5,000 Gallons	\$5.2604
Over 7,000 Gallons	\$5.7286	Over 7,000 Gallons	\$8.1591

COMMERCIAL

Current Rate Tiers	Current	Proposed Rate Tiers	Proposed
All Consumption	\$3.3896	All Consumption	\$4.4673

INDUSTRIAL

Current Rate Tiers	Current	Proposed Rate Tiers	Proposed
First 1,400,000 Gallons	\$3.1697	First 1,400,000 Gallons	\$4.1645
Over 1,400,000 Gallons	\$2.3659	Over 1,400,000 Gallons	\$3.1321

PUBLIC AUTHORITY

Current Rate (All Consumption) \$2.9741	Proposed Rate (All Consumption) \$4.1102
--	---

SALES FOR RESALE

Current Rate (All Consumption) \$2.9994	Proposed Rate (All Consumption) \$3.6666
--	---

MONTHLY CUSTOMER CHARGES

Meter Size	Current	Proposed
5/8"	\$11.70	\$15.46
3/4"	\$14.05	\$19.27
1"	\$18.59	\$24.99
1-1/4"	\$21.80	\$29.32
1-1/2"	\$27.10	\$37.22
2"	\$40.27	\$53.62
3"	\$102.33	\$110.00
4"	\$137.08	\$147.36
6"	\$219.74	\$236.22
8"	\$315.41	\$354.94
10"	\$410.20	\$498.93

PUBLIC FIRE HYDRANT READY TO SERVE CHARGES

Meter Size	Current	Proposed
5/8"	\$2.21	\$2.38
3/4"	\$3.30	\$3.55
1"	\$5.51	\$5.92
1-1/4"	\$8.28	\$8.90
1-1/2"	\$11.03	\$11.86
2"	\$17.67	\$19.00
3"	\$33.13	\$35.61
4"	\$55.22	\$59.36
6"	\$110.48	\$118.77
8"	\$176.76	\$190.02
10"	\$254.11	\$273.17

PRIVATE FIRE PROTECTION CHARGES

Meter Size	Current	Proposed
1-1/2"	\$6.03	\$6.48
2"	\$25.07	\$26.95
4"	\$40.09	\$43.10
6"	\$100.17	\$107.68
8"	\$108.22	\$193.74
10"	\$280.44	\$301.47
12"	\$400.60	\$430.65
Hydrant maintained by Company	\$120.25	\$129.27
Hydrant maintained by Customer	\$100.17	\$107.68

On March 22, 2016, in Order No. 8861, the Commission, pursuant to 26 Del. C. §306(a)(1), suspended the effect of the proposed new rates, tariff revisions and other requested relief pending further investigation, public comment sessions, and public evidentiary hearings, which will be held later after further public notice. However, in Order No. 8861 the Commission authorized SWDE to place a portion of its proposed increases into effect subject to refund, pursuant to 26 Del. C. §306(c), sixty (60) days after the initial February 5, 2016 filing date, or on April 5, 2016.

The Commission will make its decision on this matter on the basis of the record evidence taken at the public evidentiary hearings. The Commission may approve or reject, in whole or in part, the proposed increase and tariff revisions and may approve a different method for allocating any increase (if it finds one to be appropriate).

You are invited to review SWDE's application and supporting documents to determine how your interests may be affected by going to DelaFile (<http://delafire.delaware.gov>), the Commission's docketing and file management system, and by searching for Docket No. 16-0163.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a petition asking for leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin. C. §1001-2.9) **on or before Friday, April 22, 2016**. All such petitions should be filed in DelaFile according to the Commission's Rules (26 Del. Admin. C. §1001-1.6.4). Petitions filed after the deadline of April 22, 2016, will not be considered except for good cause shown.

If you would like to review documents at the Commission's offices, please contact Donna Nickerson at (302) 736-7500 or by sending an email addressed to donna.nickerson@state.de.us. You may also review copies of SWDE's application and supporting documents at the office of the Division of the Public Advocate located at either 820 North French Street, 4th Floor, Wilmington, Delaware 19801 or 29 South State Street, Dover, Delaware 19901. Please call either (302) 577-5077 or (302) 241-2555 to arrange for a time to review the documents at either of those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website, <http://depssc.delaware.gov>, or by visiting this web address: <https://delafile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to psc@state.de.us.